

September 26, 2016

A Special Joint Meeting of the City Council of the City of Hickory and the Catawba County Board of Commissioners was held at the North Carolina Center for Engineering Technologies, 1990 Main Avenue SE, Room 149, Hickory, on Monday, September 26, 2016 at 12:00 p.m., with the following members present:

	Rudy Wright	Hank Guess
	Aldermen	David Zagaroli
Danny Seaver		

A quorum was present.

Also present were: City Attorney John Crone, Public Services Director (Acting as City Manager) Chuck Hansen, Communications and Marketing Manager Dana Kaminske, Communication Specialist/Policy Analyst Sarah Prencipe, and City Clerk Debbie D. Miller

Catawba County Board of Commissioners Present: Chair Randy Isenhower, Vice-Chair Barbara Beatty, Kitty Barnes, Dan Hunsucker, and Sherry Butler.

Catawba County Staff Present: Catawba County Economic Development Corporation President Scott Millar, Director, Business Recruitment Julie Pruett, County Manager Mick Berry, Assistant County Manager Dewey Harris, and County Clerk Barbara Morris

- I. Catawba County Economic Development Corporation President Scott Millar began the joint meeting between the Catawba County Board of Commissioners and Hickory City Council.

Chair Randy Isenhower called the meeting to order for the Catawba County Board of Commissioners. All Catawba County Commissioners were present.

Mayor Wright called the meeting to order for Hickory City Council. All Hickory City Council members were present except for Alderman Lail, Alderman Tarlton, and Alderwoman Patton.

- II. Public Hearing for Consideration of Economic Incentive Grants to "Project Lighthouse"

Mr. Scott Millar, President of the Catawba County Economic Development Corporation, (EDC), presented City Council and the Catawba County Board of Commissioners with a PowerPoint Presentation. He referenced the announcement that Governor Pat McCrory had made previously at 10:00 a.m. of the investment by Corning Optical Communications in two facilities in North Carolina, one in Hickory at the McDonald Parkway location. He commented that this is certainly an opportunity for the City and County to create new jobs at \$58,200 per job. The expanded production was due to demand by new data centers and the strong development of activity and sales in the fiber to the home deployment, which is primarily produced in the bundles of cable and communication that are produced at the facility located at 1164 23rd Street SE, Hickory. He advised that the opportunity was a \$30 million dollar investment by the company, primarily in equipment, but there will be some facility investment that is needed for this. To this point it has not yet been determined what the extent of construction activities will be on this facility. The \$30 million dollars would be for interior building renovations, machinery, and equipment. That investment will be made over the next four years. This will allow the opportunity to create 105 new jobs with an average wage of \$58,200 per job. He advised that the County's average was \$38,238 per year, which would be a substantial increase over the County's average wage. He advised Mayor Wright had mentioned creating those jobs certainly has an impact in the City of Hickory and Catawba County. He mentioned it was a competitive project, certainly this facility was considered at other existing locations, Mexico, and other facilities around the world. Mr. Millar advised this had been discussed in closed sessions with both Catawba County Board of Commissioners and Hickory City Council, so this was not the first opportunity that they had to be exposed to the performance based incentive program. He advised it would be specific to an Economic Development Contract with performance based requirements. Should the company not perform then the incentives would not be granted. It is always subject to their performance. The company had also agreed to requirements that the County had established over the years to adhere to the requirements of Education Matters. They would also provide a yearly performance statement signed by a corporate officer that says how they are performing that year relative to the requirements. It was also subject to the JDIG award that was approved by the Economic Divestment Committee by the State of North Carolina.

Mr. Millar discussed the percentage of the grants. An amount equal to a percentage of new property taxes generated for five years with the following percentage and maximum amounts: The first two years would be a 75 percent grant; years three and four would be a 67 percent grant and year five would be a 50 percent grant. The numbers for the City of Hickory would be approximately \$127,463 for the first two years, and \$129,375 for the County because the County's tax rate is slightly higher than the City of Hickory's. The total maximum recommendation, should those investments, the entire \$30 million dollars be reflected on the tax rolls by the County. That is not a likely occurrence. Likewise the equipment will depreciate over time as these investments age to a degree. He advised that was the design of the incentive that was proposed. He recommended that the Catawba County Board of Commissioners and the Hickory City Council consider an amount of \$567,635 for the City of Hickory, and \$576,150 for Catawba County. He asked if either board had any questions specific to the project.

Catawba County Board of Commissioners Chair Randy Isenhower opened the public hearing. He asked if there was anyone present to make any comments in regards to the proposed economic development. No one appeared. Chair Isenhower closed the public hearing.

Catawba County Board of Commissioners Vice-Chair Barbara Beatty moved approval of the economic development agreement. The motion carried unanimously.

City Attorney John Crone advised Mayor Wright for the record he should open the public hearing.

Mayor Wright declared the public hearing open and asked if there was anyone present to speak in opposition to the proposal. No one appeared. He asked if there was anyone present to speak in favor of the proposal. No one appeared. Mayor Wright closed the public hearing.

Alderman Guess moved, seconded by Alderman Zagaroli approval of the Economic Development Agreement. The motion carried unanimously.

Mayor Wright announced that the motion was made by Alderman Guess seconded by Alderman Zagaroli and the motion carried unanimously.

Mr. Millar thanked both of the boards for the opportunity to work with them on the project. He commented he believed this was an opportunity that would continue for Catawba County. There are good signs for this company and for this investment being the precursor for many more. He mentioned the headquarters recruitment effort that both entities had participated in. Unfortunately it didn't lead to landing the project, however, they are all about trying to help the companies do things for Catawba County citizens, and this is an opportunity.

Catawba County Commissioner Dan Hunsucker moved to adjourn. The motion carried unanimously.

Mayor Wright thanked Mr. Chuck Hansen for conducting himself admirably as Acting City Manager.

Alderman Seaver moved, seconded by Alderman Zagaroli to adjourn. The motion carried unanimously.

Mayor Wright announced that the motion was made by Alderman Seaver, seconded by Alderman Zagaroli and the motion carried unanimously.

III. There being no further business, the meeting adjourned at 12:10 p.m.

Mayor

City Clerk